



## Competition & Markets Authority (CMA)

### Energetik's response to Heat networks market study: update paper (May 2018)

Further to submitting a response to the Competition and Markets Authority's (CMA) Statement of Scope for its heat networks market study in January 2018, Energetik is pleased to follow with our response to the CMA's update paper published in May 2018.

Energetik is Enfield Council's owned energy company. With two heat networks currently in operation, Energetik is developing a further two heat networks in the borough that will eventually supply over 15,000 customers in social and private homes as well as commercial units.

Energetik's business model and practices have been developed to address what it considers to be the biggest failings in the heat network market in the UK, and we are aiming to be known as a trusted and reliable supplier. The team delivering the business plan has over 100 years' combined experience across all areas of heat network business, from design and build, to contract design and negotiation, scheme operation, maintenance, metering, billing customer engagement, governance and scheme financial modelling including customer tariff setting.

We have responded to the CMA questions from Energetik's perspective where possible, and our responses describe our specific business practices where applicable.

Please visit [www.energetik.london](http://www.energetik.london) for more information.

## CMA Consultation questions

### Assessment of the issues

- 1. Do you have views on our approach to analysis and our findings regarding heat network outcomes, misaligned incentives in the supply chain and transparency?***

Prices (3.3-3.33)

Energetik is encouraged by the results of the CMA's research, which supports the findings of BEIS' recent customer survey. It is positive news for the industry that most heat network customers spend less than non-heat network customers. The issue to address is the significant variation between networks and those customers who are being charged unfairly and disproportionately. Price regulation as suggested by the CMA will achieve this.



### Reliability, service quality, and overall customer satisfaction (3.34-3.52)

BEIS' result that 93% of heat network customers view their heating system as 'very' or 'fairly reliable' is another significant positive.

The remaining issues that the CMA looked at related to quality (level of control; over-heating; unplanned interruptions) will be addressed for new networks going forward that are compliant with the ADE's technical compliance scheme.

### The availability of a cheaper alternative energy supply (4.7-4.11)

Ref para 1.36: although a logical approach, we ask the CMA to exercise caution in its recommendation that developer's comparisons of heat supply options are based on a whole life costing model. Energetik is concerned that limiting this decision to cost only could mean that traditional heating systems like gas boilers or electric storage heaters may appear to be more cost effective, but this could mean that the bigger picture of the wider socio-environmental and strategic benefits that a heat network has are overlooked i.e. better air quality by reducing NOx emissions from individual gas boilers. Or there may be other heat networks nearby which it could be feasible for a development to connect to with a heat network, enabling a more resilient, secure decentralised energy system than gas grid connection.

A question for the CMA to consider when looking at the whole life cost model is whether the replacements costs of gas/electricity infrastructure eg substations, power stations etc are included?

### The incentive to minimise upfront costs (4.12-4.19)

*good design can be value engineered out*

Energetik agrees with the CMA that there is a significant risk to customers presented by the lack of measurable and enforceable standards for the design, build, commissioning and operation of heat networks. We agree that having a regulator to require heat networks to comply with industry technical standards will be positive for the sector as a whole.

Protect customers of new heat networks by putting in place regulations to ensure that any contracts with heat network operators include protections on price and service quality.

## **2. Do you consider the individual household gas boiler price to be a reasonable benchmark for customers to be confident that their heat supply is value for money?**

While we recognise the importance for customers to have a comparison of their heat price to something they can relate to, we are unconvinced that the individual gas boiler will remain an appropriate reference point. There are several limitations with this comparison, including that for a new build / high rise property a gas boiler is not an option for heating. One advantage of heat networks is that they deliver a lower carbon heat supply than gas. So it seems perverse to then be compared in price to a fossil fuel heat supply that is not



sustainable in the medium to long term. In Scandinavia gas receives a significant 2.5p/kWh tax that provides a financial incentive for the use of efficient, low carbon heat networks, and makes such low carbon networks economically viable when compared to individual fossil fuel boilers. In addition, gas is a volatile commodity and some heat networks use entirely different heat generation technology. By extension we have a concern that looking to gas as a comparison is effectively looking 'backwards', and may stifle technological innovation and therefore investment opportunities.

Having said this, we have found the Heat Trust's cost calculator to be a very useful tool both for our customers and the sales and lettings teams that we work with.

It is Energetik's view that there is a general lack of understanding of what value heat network customers get in general, which makes it difficult to compare the service received to having an individual gas boiler. This is further hampered by the general lack of transparency in both heat network and gas/electricity billing practices as discussed elsewhere in this response.

Key differences that customers need to understand in order to do a fair comparison between a heat network tariff and a gas tariff:

- What maintenance costs are included, including call-out charges
- Whether customers are paying a contribution towards the replacement fund for the infrastructure and if so from which element of their bill/payment
- What business costs does the heat network provider have that a gas/electricity supplier would not because of the way the sectors are treated differently i.e. business rates (Energetik estimates that this costs £80 per year per customer) – see our responses to questions 6 and 7.

It is our view that it would be very helpful and relevant for customers to be able to access a centralised information source about heat networks and suppliers, including pricing (see our response to question 13).

***3. Have we accurately captured the two broad categories of delivery models in the heat networks market (described in section 5) employed by housing associations and private property developers and their impact on customer outcomes? Do you have any views on potential different categories?***

1.18 / 1.19 definitions of delivery models are oversimplified – we believe that the CMA's emerging view that ESCO models mean that consumer interests aren't protected is not always the case.

Energetik is an ESCO, and a private limited company with Enfield Council as our sole shareholder. We adopt, operate and maintain our networks and our customers have a relationship directly with us via heat supply agreements.

The 'right to use' the networks is ours but we are set up with stringent governance processes to ensure that the business protects consumers' interests and follows the same principles as the Council, to return benefits locally.



In this way our business is different to most private-sector ESCOs as we have designed our entire business model to be consumer-centric in order to achieve our mission of providing heat that is good value, reliable and environmentally friendly.

We recommend that the CMA considers Local-authority-owned ESCO heat networks as a different category of delivery model than those described in the update paper.

## Recommendations

### Regulation of heat networks

#### ***4. Do you have views whether heat networks should be regulated? If you agree that they should be, please provide any views on which body might be best placed to act as the sector regulator.***

Energetik strongly agrees with the CMA's conclusion that there is a need for a statutory regime to govern the regulation of heat networks.

It is encouraging that the CMA's research in combination with recent work from BEIS confirms that most heat network customers are generally satisfied with their service and that prices are comparable to gas.

In addition, Energetik agrees with the CMA's conclusion that there are other areas of regulation where explicit regulation of heat networks should be developed:

- Planning & Building regulations
- Leaseholder arrangements and tenancy agreements
- Property sales disclosure rights including EPCs

#### ***5. If there is sector regulation, should it apply to all communal and district heating networks, all delivery models and existing as well as new networks?***

It is Energetik's view that sector regulation across all types of heat network is necessary to protect the future of the industry. In the current absence of regulation, as per the research the CMA has undertaken it is clear that standards vary hugely and some customers are suffering unfair detriment as a result.

A concern to Energetik is the gap that exists between existing networks (whose customers often experience the worst and most complex issues) and new networks (who are likely to be of a higher standard in most cases). We see a significant risk to the government plan to significantly expand heat networks' contribution to the UK's heat supply market in this context. Our concern is that the proportion of the existing 500,000 heat network customers in the UK who are experiencing any combination of poor reliability, poor customer service and high prices will remain left behind as the 'new generation' of heat networks develop.



There are significant barriers for non-private organisations that would inhibit their ability to comply with statutory regulation. Largely we understand these to be to do with lack of capacity and funding, particularly among Local Authorities and Registered Providers.

We see a relatively simple way to address this would be for the CMA to recommend that BEIS look at prioritising funding applications through HNIP that improve existing heat networks and bring them up to standard and/or extend heat networks through retrofitting nearby homes and businesses. This would have the additional advantage of building capacity in the industry, enabling stakeholders to understand in practice why networks offer a poor service if not controlled tightly, and take this learning forward to new schemes.

**6. Do you have views on whether regulation of heat network prices to end customers is appropriate? If there were a form of price regulation, should it be a cap at a certain level, or a 'principles based' approach with self-reporting against permissible contract terms and a regulator to investigate complaints? What factors should determine the maximum level of prices?**

Energetik supports a 'principles based' approach to governing heat network prices. This approach would bring the industry more in line with the way pricing is treated in the Ofgem-regulated gas and electricity markets.

An aspect of charging that causes an imbalance between the Ofgem-regulated markets and heat networks is the way business rates are currently treated, which we consider unfair. There is no uniform approach to charging business rates as it is decided by individual local authorities, who are permitted to charge heat network operators for this if they choose to. Where this charge is obligated on heat network providers it puts significant strain on the business's revenue stream, therefore acting as a barrier against investment in better infrastructure, customer protection etc. Additionally, this cost is inevitably passed on to customers in most instances, leading to higher bills and making a comparison between having a gas/electricity supply and a heat network supply more challenging and opaque. Energetik are aware that some suppliers now itemise business rates separately on customers' bills to highlight the difference. We support the work that the ADE have been doing to raise awareness of this disparity and encourage policy makers to create a more level playing field for heat networks.

### Our pricing structures

Energetik operates a single tariff, made up of a daily availability charge and a unit charge. Registered Providers pay certain elements of the availability charge (contributions to infrastructure and maintenance) for their tenants according to the principles of the Landlords and Tenant Act (LTA), so a social tenant's availability charge is less than a freeholder/leaseholder.

This aspect of pricing is important for the CMA to consider. In Energetik's experience, the detail of the LTA legislation is considered subjective therefore Registered Providers take different stances on which costs they are responsible for.



This creates further lack of transparency for tariff setting and in turn billing, as certain charges will still be payable by social tenant customers but in their rent or service charge as oppose to their bill or energy payment. This is a barrier to customers' understanding the full picture of their energy costs and by extension what they can question/challenge their landlord (and supplier) about.

This can also apply to private tenants: in Energetik's model, individual private landlords (as leaseholder/freeholder) have the option of asking their tenant to enter a separate heat supply agreement with us, under the same terms. In these cases, the private tenant is effectively paying towards the infrastructure and maintenance costs that should be the landlord's obligation.

**7. Do you consider that any rules and guidance on pricing and quality should apply to all heat networks or, for example, only to those with ESCOs? Do you consider that it would be proportionate to ban 'capital contributions'?**

Energetik believe that all customers of heat should be protected by any rules and guidance that are brought in for heat networks. Such rules should be there to protect customers, not look to differentiate between ESCOs and other organisations supplying heat.

A key consideration here is how to extricate those heat network customers who pay for their heat supply via their rent or service charges. Organisations who charge their customers in this way often lack capacity and resource to implement new systems, processes and monitoring and would need significant support to be able to achieve this. As outlined above in our response to question 5, we suggest that CMA considers a recommendation that BEIS should provide this support.

Whether capital contributions should be banned depends on the extent to which pricing is controlled. If pricing can be controlled to protect the customer, then capital contributions could be a viable method of incentivising developers to provide heat networks.

**8. Do you have views on whether heat network customers should have similar consumer protections to customers of regulated gas and electricity utilities?**

Energetik strongly supports the proposal that heat network customers should have an equal level of protection as non-heat network customers as a minimum.

Energetik agrees with the views of the consumer groups referred to in the update paper that utilities are an essential part of everyday life and therefore must be relied upon to be provided fairly and dependently. It is true that an absence of heat and hot water creates inconvenience and distress, and can cause serious harm for heat-vulnerable customers\*.

It is encouraging to read the findings in the CMA's update paper that levels of customer satisfaction are similar across both customer bases, despite the fact that the heat network industry is currently unregulated. Energetik therefore sees no reason why the heat network sector can deliver better results for customers than Ofgem-regulated utilities over time,



with appropriate regulation and guidance in place: especially for new schemes with brand new infrastructure and compliance standards applied.

We would like to see that regulation of customer service and protection drives innovation and improvement in this area for heat network customers, with a way to reward suppliers who go beyond the required minimum. We are concerned that simply looking to emulate the gas and electricity counterparts will not go far enough, and encourage suppliers to only do as little as possible to meet the standards.

As an organisation we believe that the heat network industry should aim to provide a better standard of customer protection and service than the regulated gas and electricity markets: these sectors are not widely known of or applauded for their excellence in this area. In addition, heat networks have the potential to deliver a far wider range of other benefits to customers and their local area (some examples are air quality improvements, energy security) which equivalent gas and electricity providers cannot.

A suggestion that Energetik have made to Heat Trust via our membership is to have a 'rating scheme' for registered participants: this would allow older / more challenging schemes to be eligible by meeting a minimum standard, and those organisations who focus on excellent customer service could be awarded a higher rating.

We think a publicly available information portal would be helpful for suppliers and customers alike, as a place to access independent information about heat networks and the difference between suppliers in terms of customer service and protection. See our response to question 13 for more detail on this.

\*Energetik uses NICE guidelines for excess winter deaths and illness and the health risks associated with cold homes to define 'heat vulnerable customers' on our Priority Services Register.

***9. Do you have views on the recommendations described in section 7 that we are minded not to pursue (eg banning capital contributions from ESCOs to property developers, and mandatory re-tendering of heat network operating and billing contracts)?***

As stated in our response to question 7 above, we do believe that capital contributions have a place to incentivise the delivery of heat networks. The issue is whether these capital contributions create a tariff that penalises the customer when comparing the heat supply and quality of service to other utilities. This can be dealt with by protecting customers through pricing regulation.

We do not agree with mandatory re-tendering of services. What is required is regulation that protects the consumer from poor service and/or price, and should certain KPIs not be achieved (or be corrected upon notification), then the re-tendering of the relevant service should be triggered.



## **Planning and technical standards**

### **10. Do you have views on how to improve technical standards, which cover the design and operation of heat networks, and make them enforceable? Could this be achieved in the absence of a regulatory regime requiring a licence to operate a heat network?**

The ability for an ESCO to operate a heat network to provide an efficient, low carbon and reliable heat supply is determined at the design, build and commissioning stages. We believe that the only real successful way of achieving this is to create a heat network technical accreditation scheme that ensures an appropriate quality is delivered through these stages (could be run by the ADE for example). This could be a means to a “licenced” or “accredited” heat network, and this should be made mandatory. The same process can be continued in to the operational phase to ensure that these standards are maintained and the heat network retains its “licence” or “accredited” status.

#### **a. What is the role of the CIBSE ADE CPI Code of Practice in this process?**

CP1 does not ensure heat network quality, but it is a guide that assists the client and designer in achieving a good quality heat network when applied appropriately and enforced. CP1 would be one part of a technical accreditation scheme mentioned above, however it is presently a wide-ranging guide that is not sufficiently specific to necessarily drive a good quality heat network.

#### **b. Do you have views on how these proposals could be embedded in the planning authorisation process?**

There is no reason why the planning process could not enforce a heat network to be technically accredited and licenced to operate. However, in practice the technical capability does not exist in planning teams, and bodies like the ADE are probably best positioned to support the planning teams in this area via a technical accreditation scheme as mentioned above.

It is important that the relevant technical accreditation scheme ensures that the agreed specification for the network is not ‘value engineered’ by the developer. It should be protected beyond the design stage, continuing throughout the delivery stage. This is a process that Energetik have prioritised, with a strict approvals/sign-off procedure at every design stage and during commissioning.

#### **c. For potential heat network connections affected by Building Regulations and / or planning, how could appropriate technical standards could be embedded these processes at local, regional and national levels?**

See suggested technical accreditation/licence processes mentioned above





***d. Could operating technical standards be applied retrospectively to existing heat networks?***

Yes but with limitations due to constraints caused by poor design, installation or commissioning. The latter could be addressed at the operational stage with appropriate resources and funding. However, it should not be underestimated as to how a well-designed, installed and commissioned network can become poor-performing due to a poor operating and maintenance regime, and so technical standards should be applied to existing networks to help address these problems.

As per our response to question 5 above, we note that an obvious way to fund the retrospective application of technical standards to existing network, a process which is very costly and time-consuming, would be to use HNIP. This would have the added advantage of building capacity amongst organisations running older/existing schemes.

***e. What is the impact of the current approach to professional indemnity insurance for heat network design and build on the recommendations of design engineers?***

Like health and safety in construction, a successful heat network requires all team members to deliver, not just the designer. The client, designer, the contractor, the commissioning company and the operator. It is rare to be able to pin point a poor network on a designer and pursue their PI. A heat network accreditation scheme that is not dissimilar in its objectives to CDM for health and safety, i.e. tying in all aforementioned team members, is the only real solution to the delivery and ongoing operation of a successful heat network.

***11. How could local and development plans and their supplementary guidance be adjusted to take lifetime costs and customer prices into account? What would the impact of this be?***

***12. How should a heat network quality assurance scheme be established and embedded into the regulation of heat networks? Should such a scheme seek to accredit the commercial, financial and contractual aspects of a heat network as well as the technical?***

As mentioned above, a technical accreditation scheme is seen as essential to improve heat network delivery, and this could be delivered by a body like the ADE. However, we believe that commercial, financial and contractual aspects are a completely different field that would mostly require a “regulator” to address, not a body like the ADE. However, it seems reasonable to expect the scope of such a commercial, financial and contractual “accreditation” to be no greater than Ofgem deliver in the electricity and gas industry.



## Transparency

### Pre-transaction

#### **13. Is further information required to improve consumer understanding of the significance of living in a home with a heat network? If so, what information would be useful?**

As pointed out time and again in the various research papers about heat networks in the UK, the public's level of general awareness about this type of heating is very low. Compounding this issue is the fact that a customer's journey with a supplier and therefore their ability to access information from them usually doesn't start until they move into a property. By then it is too late, and as found in the research customers can feel cheated by what appears to them as obfuscation (at best) or misselling (at worst). A customer journey that starts in this very negative way is detrimental for all parties involved, and it can be difficult to improve customer's perception.

Energetik sees this low level of public understanding as a significant risk to the projected future growth of the industry. Without more widespread understanding of the technology and with negative stories fairly common in both consumer affairs and the general media, the UK's public is largely receiving an unfair representation of the reality of the heat network market. It is great news that the CMA's study supports BEIS's recent consumer survey, with both concluding that heat network customers are largely better off in terms of prices and largely in a similar position in terms of customer service. This is a story that must be disseminated consistently and in accessible formats, on a national scale.

For example, to encourage the uptake of the Smart Meter rollout, a comprehensive nationwide PR campaign lead/funded by [Smart Energy GB](#) has acted as a key driver to dispel myths, demystify the technology, and sell the benefits (see the latest [Smart energy outlook](#) report for more information). This has been essential to ensure that customers feel positive and accept the change, therefore enabling greater uptake.

Energetik strongly believes that government has a key role to play in closing the 'information gap' amongst the general population in order to support the growth of this market to the extent they hope to achieve in a short timescale.

To support this, Energetik strongly recommends that the outcomes of the CMA's market study should be communicated in a nationwide media campaign, and that this work is consolidated with a wider awareness-raising campaign on a similar scale to the smart meter rollout campaign lead by BEIS or a heat-specific arm of Smart Energy GB. This could possibly be funded through HNIP or HNDU. It is our view that there are many useful lessons from the Smart Energy GB work that would helpfully inform this work.

Particularly helpful and relevant for heat network customers as well as sales and lettings teams dealing with properties connected to heat networks would be a central information portal, containing information about heat network suppliers so that it is easier for them to compare. The Heat Trust's website is a very useful starting point but isn't widely advertised or known about, particularly for non-registered customers.



A suggestion we believe worth considering is whether there could be scope for Smart Energy GB and the Heat Trust to collaborate / share resources to create the information portal and communications campaign as a joint effort.

The information portal should hold centrally collected data about heat networks and their suppliers, in a format that can be compared easily. This should ideally include:

- General information about heat networks in engaging and accessible formats, suitable for vulnerable customers and those whose first language is not English
- Whether the scheme is district or communal
- The age of the scheme
- Whether the scheme is a registered participant of Heat Trust (and their 'rating', see our response to question 8)
- If not HT compliant, what other customer protection is available
- What level of technical standards is in place
- The type of heat technology that's used (CHP, gas boilers etc)
- Tariff information
- Metering information

#### Property sales disclosure rules:

As outlined in our response to the CMA's Statement of Scope:

Energetik agrees that the provision of pre-transaction information outlined in the paper at para 1.48 a-c would dramatically improve customers' understanding of their home's heating system and aid their decision-making.

We believe that there should be greater onus on the organisations selling/letting property to improve the clarity and quality of information in property sales and marketing literature. It would be very helpful to these organisations, who may have limited understanding of heat networks and how they operate, if official guidance was available containing language and terminology to include in their documents, as well as examples of best practice sales and lettings communications/marketing materials.

#### ***14. Who should be responsible for ensuring that new leasehold agreements include a clear reference to the treatment of heat network assets connected to a leasehold property?***

In a new build development it should be the responsibility of the developer to ensure that a clear reference is made to the fact that the property is connected to a heat network. This should include obligations to provide clear information in all sales and marketing materials, as described above and in our response to the statement of scope.

Where the build constructor is handing over the properties to its client, then it would be the responsibility of the seller of the units.



Where a property is being resold then it would be the responsibility of the freeholder to ensure that the lease is checked and updated as necessary to ensure that the new leasehold agreement included the required information to ensure reference to the heat network and its assets are clearly described.

***15. Should heat supply agreements or contracts which set out key performance indicators, such as guaranteed terms of service, be made compulsory?***

Development of a more consistent approach to customer literature across heat network providers would be a good thing, and Energetik supports the proposal that providers should have greater obligation to inform customers of their key performance indicators.

However, many heat network operators such as Local Authorities and Registered Providers do not have separate contracts with their customers. In these cases it would be very costly and resource intensive to make heat supply agreements or contracts mandatory. Energetik recently responded to the Heat Trust's consultation on widening the Scheme Rules to allow a 'Customer Charter' or equivalent document to take the place of a supply agreement or contract, thus enabling a greater variety of organisations to be able to join the Scheme. We agreed that this was a sensible proposal, and that a legally binding heat supply agreement would always be preferable.

Having a Customer Charter (or equivalent) with specific content about the supplier will help customers' familiarity. In addition, standardised documentation in the form of supply agreements or a Customer Charter would also help sales/lettings officers who would then be able to pass this on to prospective new residents when viewing/interested in a property as part of their legal pack.

This would have the positive knock-on effect of raising awareness more generally of heat networks and their benefits to residential customers.

In short, Energetik supports the idea that a Heat Supply agreement should be mandatory, or if not possible then a Customer Charter or equivalent. Further, we think it would be extremely useful for an organisation like Heat Trust (or in time the sector regulator) to define the specific information that should be included as a minimum.

***16. How could EPCs be improved in relation to heat networks?***



## *During residency*

### ***17. Should heat supply bills be improved? Is further information necessary? If so, what information would be helpful?***

It is clear from the CMA's findings that heat supply bills, where provided, require further improvement. It is interesting to note the results that non-heat network customers' bills also appear to lack clarity, transparency and detail. In spite of this, the evidence from BEIS's survey that heat network customers are not less satisfied with the level of information in their bills than non-heat network customers is particularly interesting.

This picture seems to show that customers need information about their energy spending in an accessible and convenient format to help them manage cost and usage. The first step in this would be for customers to understand their actual energy consumption and how much they are spending: as per BEIS's results this is currently only 36% of heat network customers billed on actual or estimated costs.

In Energetik's view, the industry should aim to significantly improve this and go beyond what is currently offered to non-heat network customers (77% of whom are billed on actual or estimated use according to the BEIS survey). This is a key consideration, in the context of the UK's smart meter rollout. As this continues, social norms around people's perception of energy are beginning to change. More and more consumers will be getting used to paying for exactly what they use, and having an in-home display which helps their understanding and gives them better control/transparency. It would be a valuable metric to monitor the number of heat network customers' homes that are fitted with smart meters for their electricity supply as the rollout progresses.

Lack of transparency and clarity of information provided to heat network customers will become even more of an issue as smart meters become more prevalent. The risk is that the industry continues to be seen as old-fashioned and not customer-focused, and the gap between heat networks and gas/electricity supply companies will deepen unless action is taken swiftly to ensure that our industry keeps up with the developments in our 'sister sector'.

As previously outlined in our response, a key challenge here is to provide appropriate support for the organisations that do not bill their customers individually and have no resources to change their metering and billing practices. We note that some very old "ladder systems" would not be able to have single point metering but could have an apportionment metering system as they do in many continental European countries.

Energetik feels that the current heat metering and billing regulations do not go far enough in the interest of customers. We believe that a cost-benefit analysis of what the cost implications of improved metering to the sector's entire consumer base is necessary. This should take into account the projected increase of smart meters which will lead to increasing awareness amongst the UK's consumer base about energy. It seems logical that this will make it more likely that heat network customers will become even more unhappy about not receiving clear and detailed information about their energy use, feeling that they



are being 'left behind' and missing out on the benefits of smart metering.

Providing clear and transparent information is a key focus for Energetik and an aspect of the business that we have invested in for the benefit of our customers. We install smart meters in every home as well as interactive touch-screen customer interface units that allow users to view their energy use and spending in real time. It allows customers to interrogate their information and compare over different periods. All of our customers pay for their heat and hot water supply on a pay-as-you go basis. Because of this, and the fact all the information is available for customers instantly and at all times (it can also be viewed on a customer's online account or explained over the telephone), we do not provide bills to customers.

Feedback from customers so far has been very positive about the information we have provided before moving in and the level of what is available to them during residency. We will be undertaking a formal customer service survey later in 2018 and would be happy to share the findings with the CMA and BEIS to inform their future work.

***18. Should there be specific requirements regarding the frequency of bills beyond that already required by the Heat Network (Metering and Billing) Regulations?***

See our response above.

***19. Should standard performance metrics for suppliers be produced – for example, in relation to planned and unplanned outages and heat temperatures? Should this information be published?***

As a registered participant of the Heat Trust, we are required to report on the performance of our schemes. This data is collected and published by HT in their [annual report](#).

We believe that it would be useful for customers and suppliers alike for information like this to be readily and publicly available for all heat network schemes. This would significantly improve the transparency for customers, particularly useful at pre-transaction stage when making a decision to buy or let a property. For suppliers it would be helpful to have some kind of rating scheme; a way to allow the supplier to demonstrate the efforts it is taking to improve its performance if necessary.